



Christine Todd Whitman  
Governor

James Weinstein  
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Executive Director

May 15, 2000

Surface Transportation Board  
Office of the Secretary  
Case Control Unit  
Attn: STB Ex Parte 582 (Sub-No. 1)  
1925 K Street NW  
Washington, DC 20423-0001

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NJ TRANSIT has reviewed the Advanced Notice of Proposed Rulemaking in this matter. We have and plan to continue to consult with other affected parties within New Jersey (including the New Jersey Department of Transportation, Port Authority of New York and New Jersey, Delaware River Port Authority, Norfolk Southern, CSX, Conrail, and the members of the New Jersey Shortline Railroad Association). We expect to have substantive comments in response to the Notice of Proposed Rulemaking when it is issued.

We would like to direct the Board's attention to the following areas while its staff prepares the proposed rules:

We strongly urge the Board to incorporate into the merger process an improved and more thorough analysis of impacts of the merger on existing and proposed rail passenger projects. An efficient passenger rail system is vital to the economy of most regions. The Board's rules should require extensive coordination with affected passenger rail operators both before and during the development of operating plans. We suggest that as part of the service integration planning process, the Board require joint planning efforts on rail corridors that are shared by freight and passenger services. This will ensure that common planning horizons are used and that both parties can coordinate their investments.

We support the notion of enhanced competition which the Board is considering including in its proposed rules. However, we would urge that the Board keep in mind that introducing competition often results in more intensive rail operations, sometimes leading to congestion. This occurred in New Jersey after the June 1, 1999 acquisition of Conrail by CSX and Norfolk Southern. The Board will need to require very thorough service integration plans to ensure that adequate capacity is provided to handle the newly competitive freight traffic.

With respect to assets that cannot be equitably divided between carriers, New Jersey urges that the Board consider requiring a stand-alone, accountable carrier as opposed to a "shared asset organization" now in effect in portions of the former Conrail. Such an accountable carrier would act as an independent railroad and provide railroad services directly to the consignee and consignor.

I hereby certify that a copy of this Letter was served on all Parties of Record on the Service List in the referenced proceeding.

Respectfully submitted,

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Assistant Executive Director of Planning

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